



KATHLEEN CONNELL

Controller of the State of California

September 30, 1998

**To the Citizens, Governor, and Members
of the Legislature of the State of California:**

I am pleased to submit the *Counties Annual Report* for the fiscal year ended June 30, 1997. This 87th edition is published to assist public officials responsible for county management and planning, and to inform all those interested in the fiscal functions of county government.

Most of the information and data presented herein have been extracted from reports filed by county auditors as required by law, such reports are not subject to audit by the State Controller. Wherever pertinent, the auditors' reports have been supplemented with supporting information from other designated sources, including additional reports filed by other agencies and compiled by the Division of Accounting and Reporting of the State Controller's Office.

The revenue account titles and the classification of expenditures by functions and activities used in this report are in accordance with the Accounting Standards and Procedures for Counties of California as prescribed in the California Code of Regulations. Where changes in reporting requirements affect comparability of data between years, such changes are noted.

As a result of its combined functions, the City and County of San Francisco is included with the county totals in this report for Assessed Valuation, Area, and Population purposes only. However, the general revenues and expenditures of San Francisco are separately itemized in Appendix A. All of the transactions of the City and County of San Francisco are contained in the *Cities Annual Report*.

I wish to join the staff of the Division of Accounting and Reporting in thanking the county officials whose cooperation and hard work made this report possible.

Sincerely,

A handwritten signature in cursive script, reading "Kathleen Connell".

KATHLEEN CONNELL
California State Controller

Contents

INTRODUCTION	iii
General County Financing Sources and Enterprise Revenues	iv
General County Financing Uses and Enterprise Expenses	xiii
Long-Term Financial Obligations	xix
County Assessed Valuation	xxii
Appropriations Limits	xxiii

FINANCIAL SECTION

Table 1.	Summary of General County Statistics for the Fiscal Year Ended June 30, 1997	1
Table 2.	Summary of Assessed Valuation for Counties for the Fiscal Year Ended June 30, 1998	2
Table 3.	Summary of Property Taxes Allocated and Voter Approved Taxes Levied for the Fiscal Year Ended June 30, 1998	3
Table 4.	Summary of General County Financing Sources for the Fiscal Year Ended June 30, 1997	4
Table 5.	Summary of General County Financing Uses by Function and Activity for the Fiscal Year Ended June 30, 1997	6
Table 6.	Detailed Statement of General County Financing Sources for the Fiscal Year Ended June 30, 1997	14
Table 7.	Detailed Statement of General County Financing Uses by Budget Units for the Fiscal Year Ended June 30, 1997	34
Table 8.	Statement of Outstanding Long-Term Financial Obligations for the Fiscal Year Ended June 30, 1997	92
Table 9.	Airport Enterprise/Activity Statement of Revenue and Expense for the Fiscal Year Ended June 30, 1997	102
Table 10.	Hospital Enterprise/Activity Statement of Revenue and Expense for the Fiscal Year Ended June 30, 1997	112

Table 11.	Refuse Enterprise/Activity Statement of Revenue and Expense for the Fiscal Year Ended June 30, 1997	116
Table 12.	Transportation Enterprise Statement of Revenue and Expense for the Fiscal Year Ended June 30, 1997	124
Table 13.	Other Enterprise/Activity Statement of Revenue and Expense for the Fiscal Year Ended June 30, 1997	132
Table 14.	Statement of Appropriations Limits and Total Annual Appropriations Subject to the Limit as of June 30, 1997	136

SUPPLEMENTAL INFORMATION

Appendix A —	General Revenue Sources and Expenditure Functions of the City and County of San Francisco for the Fiscal Year Ended June 30, 1997	139
Appendix B —	Percentage of Local Sales Tax Collected Within Cities Allocated to Counties as of July 1, 1997	145
Appendix C —	Definitions	147
Appendix D —	Notes to Tables	149
State Controller's Office Publication List		151

Introduction

Fifty-seven county governments (exclusive of the City and County of San Francisco) reported revenues received from financing sources for fiscal year 1996-97 amounting to \$31.8 billion. This total, which is 1.62% less than the prior year primarily due to several counties incurring less new debt, includes both general county revenues and revenues from county-operated enterprises.

The five largest financing sources by dollar amount and percentage of total revenues were: State Government, \$12.0 billion (37.57%); Federal Government, \$5.8 billion (18.26%, down 3.61% – see Schedule 2); Enterprise Receipts, \$4.2 billion (13.20%, down 0.63% – see Schedule 7); Property Taxes, \$3.4 billion (10.54%); and Charges for Current Services, \$2.7 billion (8.60%).

During the 1996-97 fiscal year, California's population (exclusive of the City and County of San Francisco) was estimated at 31,952,072. The three most populous counties — Los Angeles, San Diego, and Orange — represented approximately 45.43% of the population, and received 45.02% of the statewide revenues generated from funding sources for counties. Their respective percentages of population and statewide total revenues received from funding sources were: Los Angeles, 28.99% and 30.03%; San Diego, 8.32% and 7.81%; and Orange, 8.12% and 7.18%.

The counties' financing uses for the same period, including general county expenditures and expenses by county-operated enterprises, totaled \$32.1 billion. The four largest categories and their respective percentages of the state total were: Public Assistance, \$10.4 billion (32.47%); Public Protection, \$7.9 billion (24.54%); General Operations of Enterprise Activities, \$4.8 billion (14.93%); and Health and Sanitation, \$4.3 billion (13.38%).

The three most populous counties accounted for 45.36% of the financing uses, as follows: Los Angeles County, 30.32%; San Diego County, 7.71%; and Orange County, 7.33%.

For the 1996-97 fiscal year, the 57 counties also reported long-term financial obligations totaling \$19.7 billion. This figure includes general obligation bonds, revenue bonds, certificates of participation, improvement district bonds, special assessments act bonds, and lease-purchase obligations.

The City and County of San Francisco, by reason of its combined functions, is included with the county totals in this publication only for area in square miles, 1990 federal census, estimated population (see Table 1), and assessed valuation (see Table 2). San Francisco's general revenues and expenditures are itemized separately in Appendix A. All of the transactions of the City and County of San Francisco are included in the *Cities Annual Report*, also published by the State Controller's Office.

General County Financing Sources and Enterprise Revenues

The \$31.8 billion total financing sources for 1996-97 were \$523.5 million, or 1.62% less than 1995-96. General county financing sources of \$27.6 billion accounted for 86.80% of the total, with the remaining \$4.2 billion coming from county-owned enterprise activities such as airports, hospitals, refuse, transportation, and others. For a 10-year comparison, see Schedule 1 and Chart 1.

Schedule 1

General County Financing Sources and Enterprise Revenues

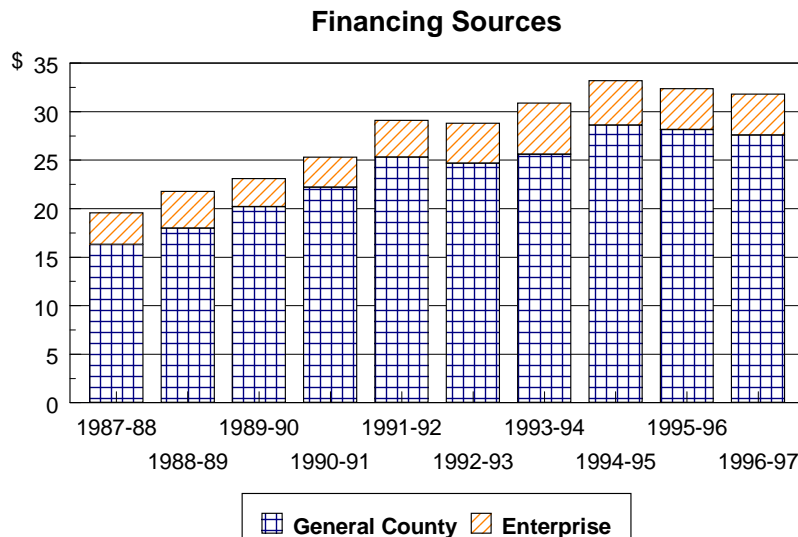
(Amounts in thousands)

Year	General County	Enterprise	Total	Percentage Increase (Decrease) From Prior Year	Per Capita in Dollars
1987-88	\$ 16,280,208	\$ 3,256,334	\$ 19,536,542	5.53 %	\$ 716.19
1988-89	18,035,259	3,819,524	21,854,783	11.87	782.55
1989-90	20,213,437	2,916,820	23,130,257	5.84	804.63
1990-91	22,282,725	3,123,806	25,406,531	9.84	857.62
1991-92	25,252,495	3,834,712	29,087,207	14.49	961.18
1992-93	24,653,911	4,125,891	28,779,802	(1.06)	937.94
1993-94	25,592,979	5,300,725	30,893,704	7.35	989.75
1994-95	28,648,858	4,586,177	33,235,035	7.58	1,052.09
1995-96	28,139,345	4,231,944	32,371,289	(2.60)	1,020.41
1996-97	27,642,479	4,205,327	31,847,806	(1.62)	996.74

Chart 1

10-Year Trend of General County Financing Sources and Enterprise Revenues By Fiscal Year

(Amounts in billions)



General County Financing Sources (Exclusive of County-Owned Enterprises)

Fiscal year 1996-97 general county financing sources of \$27.6 billion (exclusive of enterprises) represented a decrease of \$496.9 million (1.77%) from the prior year. The combined property tax, sales and use tax, and other local taxes produced 15.01% of the financing sources. The principal source of revenue was the state government, at 43.30%. The federal government was also a major contributor, at 21.05%.

Schedule 2 presents further detail on general county financing sources. Chart 2 depicts the major revenue by general county financing sources. Chart 3 depicts a 10-year comparison of general county financing sources.

Schedule 2

General County Financing Sources (Amounts in thousands)

Financing Sources	1995-96	Percent of Total	1996-97	Percent of Total	Percentage Increase (Decrease) From Prior Year
Taxes					
Property	\$ 3,264,909	11.60 %	\$ 3,356,961	12.14 %	2.82 %
Sales and Use	340,479	1.21	395,682	1.43	16.21
Other	370,225	1.32	398,789	1.44	7.72
Total Taxes	<u>3,975,613</u>	<u>14.13</u>	<u>4,151,432</u>	<u>15.01</u>	4.42
Special Benefit Assessments	20,247	0.07	25,705	0.09	26.96
Licenses, Permits, and Franchises	262,999	0.93	291,168	1.05	10.71
Fines, Forfeitures, and Penalties	453,981	1.61	434,536	1.57	(4.28)
Use of Money and Property	638,251	2.27	642,607	2.32	0.68
Intergovernmental Revenues					
State Agencies	11,828,105	42.03	11,965,748	43.30	1.16
Federal Agencies	6,034,459	21.44	5,816,691	21.05	(3.61)
Other Agencies	165,606	0.60	210,386	0.76	27.04
Total Intergovernmental Revenues	<u>18,028,170</u>	<u>64.07</u>	<u>17,992,825</u>	<u>65.11</u>	(0.20)
Charges for Current Services	2,554,036	9.08	2,738,116	9.91	7.21
Miscellaneous Revenue	815,172	2.90	739,051	2.67	(9.34)
Other Financing Sources	1,390,877	4.94	627,039 ¹	2.27	(54.92)
Totals	<u>\$ 28,139,346</u>	<u>100.00 %</u>	<u>\$ 27,642,479</u>	<u>100.00 %</u>	(1.77)

¹ Decrease was mainly due to a decline in the issuance of new debt.

Chart 2

General County Financing Sources

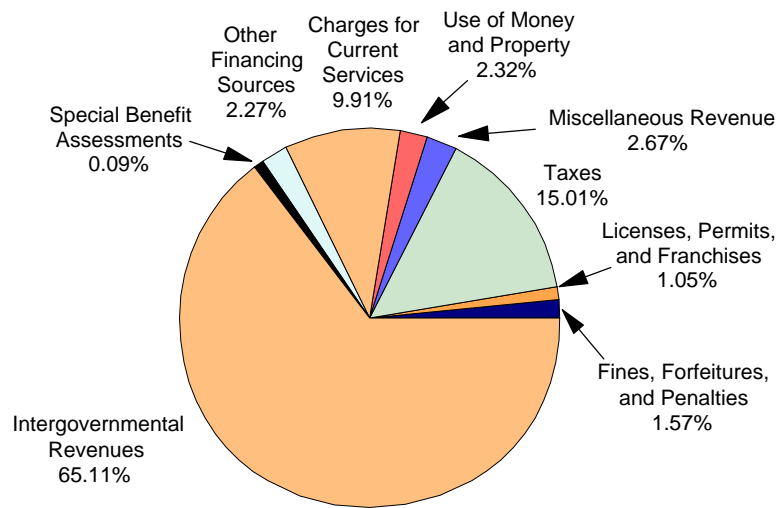
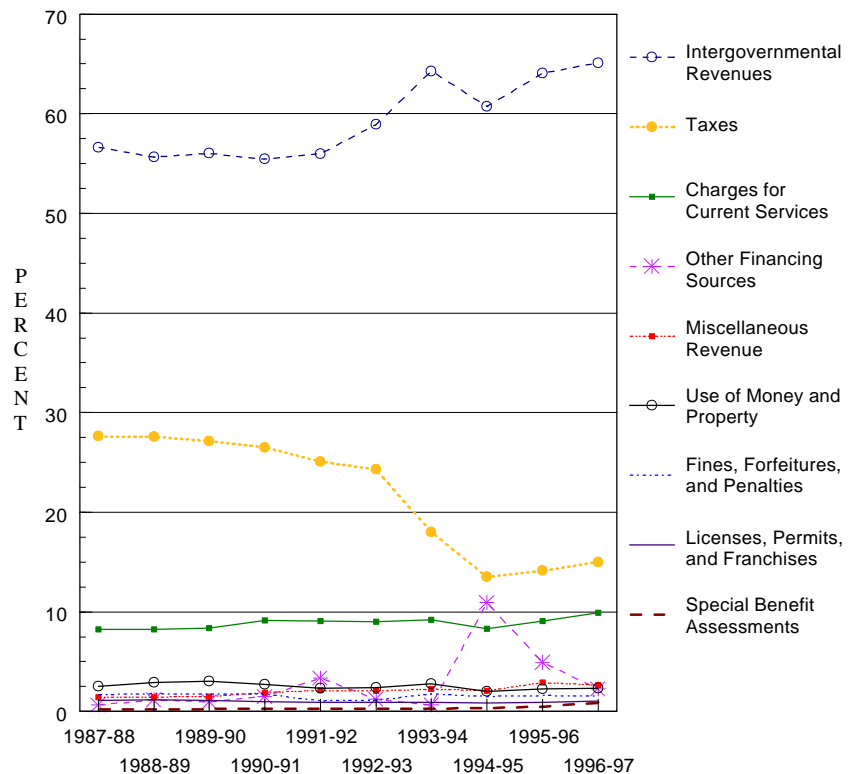


Chart 3

10-Year Trend of General County Financing Sources as Percentage of Total By Fiscal Year

(Exclusive of County-Owned Enterprises)



Intergovernmental Revenues — Includes state highway users' tax, motor vehicle in-lieu tax, trailer coach in-lieu tax, public assistance administration, public assistance programs, health programs, aid for mental health, aid for agriculture, aid for construction, aid for corrections, aid for county fairs, aid for disaster, homeowners' property tax relief, open space tax relief, and mandated costs; federal public assistance administration, public assistance programs, health administration, aid for construction, aid for disaster, forest reserve revenue, aid from other governmental agencies, and other in-lieu taxes.

Taxes — Includes current year's secured, unsecured, and supplemental property taxes; prior year's secured, unsecured, and supplemental property taxes; voter-approved indebtedness; special district augmentation fund; and sales and use, transportation, aircraft, transient lodging, property transfer, utility users, and timber yield taxes.

Charges for Current Services — Includes assessment and tax collection fees, auditing and accounting fees, communication services, election services, legal services, planning and engineering services, agricultural services, civil process services, court fees and costs, estate fees, humane services, law enforcement services, recording fees, road and street services, health fees, mental health services, California children's services, sanitation services, institutional care and services, library services, and park and recreation fees.

Other Financing Sources — Includes proceeds from the sale of bonds and other long-term debt proceeds.

Miscellaneous Revenue — Includes sale of fixed assets and miscellaneous.

Use of Money and Property — Includes interest, rents, and royalties.

Fines, Forfeitures, and Penalties — Includes vehicle code fines, other court fines, forfeitures and penalties, and penalties and interest on delinquent property taxes.

Licenses, Permits, and Franchises — Includes licenses, permits, and franchises.

Special Benefit Assessments — Includes special benefit assessments for operations and capital outlay.

Local Taxes - Property

The major portion of local taxes for county purposes comes from the general property tax funds. In the 1996-97 fiscal year, these funds generated \$3.4 billion, an increase of \$92.1 million (2.82%) over the prior year.

Under Proposition 13 limitations, counties no longer have the authority to levy a property tax rate other than the 1% ad valorem rate or for ad valorem

voter-approved debt approved prior to July 1, 1978, or after July 1, 1986. The 1% countywide tax rate is levied on the full assessed value; revenues it generates are allocated to cities, community redevelopment agencies, school districts, special districts, and county operations.

During the 1996-97 fiscal year, property taxes generated from the 1% secured and unsecured tax rate amounted to \$3.4 billion. Ad valorem property taxes (in addition to the 1%) for voter-approved debt amounted to \$47.1 million.

During the 1996-97 fiscal year, 57 counties levied supplemental property taxes. Supplemental countywide secured and unsecured taxes totaled \$27.8 million. The revenues generated by the supplemental tax roll for less than countywide secured and unsecured taxes totaled \$2.3 million. Supplemental voter-approved indebtedness and prior year secured and unsecured taxes totaled \$0.9 and \$5.7 million, respectively. For a 10-year comparison, see Schedule 3.

Schedule 3

Local Taxes — Property (Amounts in thousands)

Year	Property Tax ²	Special District Augmentation Fund ³	Total	Percentage Increase (Decrease) From Prior Year	As a Percentage of General Revenues ¹
1987-88	\$ 3,911,125	\$ 100,114	\$ 4,011,239	9.71 %	24.64 %
1988-89	4,313,831	113,642	4,427,473	10.38	24.55
1989-90	4,772,851	134,392	4,907,243	10.84	24.28
1990-91	5,182,021	131,029	5,313,050	8.27	23.84
1991-92	5,578,407	136,279	5,714,686	7.56	22.63
1992-93	5,233,267	138,759	5,372,026	(6.00)	21.79
1993-94	3,942,608	—	3,942,608	(26.61)	15.41
1994-95	3,214,837	—	3,214,837	(18.46)	11.22
1995-96	3,264,909	—	3,264,909	1.56	11.60
1996-97	3,356,961	—	3,356,961	2.82	12.14

¹ Total General Revenues exclusive of county-owned enterprises.

² Legislation enacted in 1992 began shifting property tax revenues from local government to school districts, thus reducing property tax revenues to counties.

³ Legislation enacted in 1993 eliminated the special district augmentation fund and increased the amount of property tax revenues being shifted from local government to school districts, thus further reducing property tax revenues to counties.

Local Taxes - Sales and Use

County local sales and use tax ordinances produced 1996-97 revenues totaling \$429.7 million, an increase of \$54.8 million (14.60%) over the prior year. The revenue was derived from taxable sales in unincorporated areas, local transportation taxes and, in many instances, from a percentage of sales tax revenue generated within a city if an agreement to do so was reached between a city and its respective county (see Appendix B). For a 10-year comparison, see Schedule 4.

Schedule 4**Local Taxes — Sales and Use**
(Amounts in thousands)

Year	Sales and Use Taxes	Transit	Total	Percentage Increase (Decrease) From Prior Year
1987-88	\$ 327,030	\$ 22,707	\$ 349,737	4.77 %
1988-89	344,374	27,099	371,473	6.21
1989-90	383,364	23,975	407,339	9.66
1990-91	407,712	30,600	438,312	7.60
1991-92	389,190	31,746	420,936	(3.96)
1992-93	355,239	32,882	388,121	(7.80)
1993-94	310,719	35,088	345,807	(10.90)
1994-95	312,807	36,095	348,902	0.90
1995-96	340,479	34,474 ¹	374,953	7.47
1996-97	395,682 ²	34,025	429,707	14.60

¹ Decrease was mainly due to a decline of \$1,755,170 in the “Local Capital Provisions—Transportation Development Act” fund.

² Increase in Sales and Use Taxes was mainly due to a reclassification of \$38.0 million from the Orange County Transportation Authority to the County of Orange.

Local Taxes - Other

In addition to property and sales and use tax monies, the counties received revenues totaling \$314.5 million from a variety of other taxes in 1996-97, a 9.79% increase over the prior year. The property transfer tax on the sale of real estate accounted for 32.93% of this total. For a three-year comparison, see Schedule 5.

Schedule 5**Local Taxes — Other**
(Amounts in thousands)

Local Taxes	1994-95	1995-96	Percentage Increase (Decrease) From Prior Year	1996-97	Percentage Increase (Decrease) From Prior Year
Property Transfer	\$ 79,357	\$ 84,587	6.59 %	\$ 103,542 ¹	22.41 %
Transient Lodging	65,527	70,544	7.66	75,162	6.55
Timber Yield	10,442	9,558	(8.47)	8,876	(7.14)
Aircraft	7,722	8,666	12.22	9,549	10.19
Utility Users	64,074	76,173	18.88	71,300	(6.40)
Other	44,025	36,896	(16.19)	46,034 ²	24.77
Totals	\$ 271,147	\$ 286,424	5.63	\$ 314,463	9.79

¹ Increase in Property Transfer Taxes was mainly due to growth in the sale of real estate by the counties of Alameda, Los Angeles, Orange, San Diego, and Santa Clara.

² Increase in Other Taxes was mainly due to growth by the counties of Los Angeles and Tulare.

Property Transfer — A tax on the sale of real property; the rate is \$1.10 per \$1,000 of sales value. If the situs of the sale is in an unincorporated area or within a city that has not enacted such a tax, all of the tax accrues to the county. If the situs is within a city that has also enacted the tax, the proceeds are shared equally by the city and the county.

Transient Lodging (Room Occupancy) — A tax counties may levy in their unincorporated areas. The tax rate and revenue use are determined by county ordinance.

Timber Yield — A tax replacing the property tax on standing timber. The tax is on harvested timber only and is assessed by the State Board of Equalization. Proceeds are distributed to the counties according to location and value of the timber.

Aircraft — An ad valorem property tax of 1.5% on the assessment of non-commercial aircraft. The revenue reported from the aircraft tax represents the county portion after application of a formula. This formula provides that if the situs of the assessment is within a city, the proceeds of the tax are divided among the city, the school district, and the county. If the situs is in an unincorporated area, the proceeds are shared equally by the school district and the county.

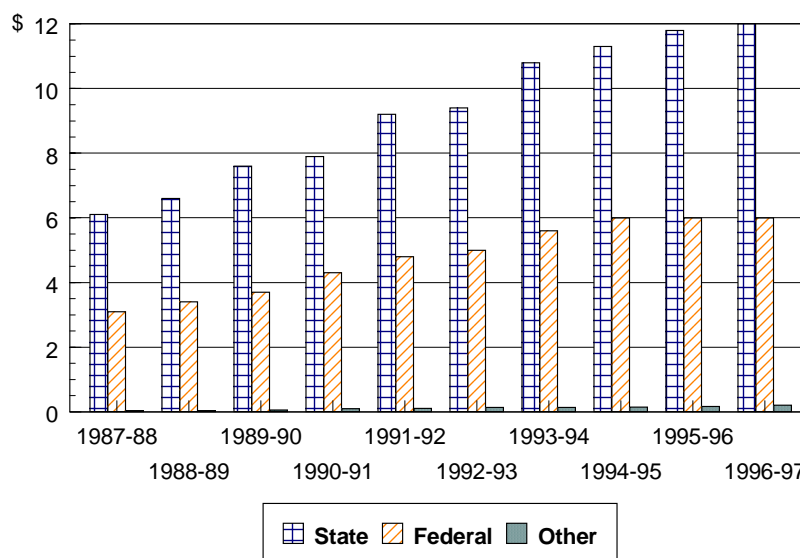
Utility Users — A tax counties may levy on public utilities in their unincorporated areas. The tax rate and revenue use are determined by county ordinance.

Intergovernmental Agencies Revenue

County revenues derived from intergovernmental agencies during 1996-97 totaled \$18.0 billion (65.11%) of general county financing sources. Subventions and allocations from the State accounted for \$12.0 billion (43.30%) of general county financing sources. Federal funds and funds from other agencies amounted to \$6.0 billion (21.81%) of general county financing sources.

For the most part, use of such funds was restricted to specific assistance programs, the majority of which required county participation. For example, \$4.8 billion in State funds and \$4.5 billion in federal funds were restricted for use in public assistance programs and administration.

Unrestricted revenue from intergovernmental agencies included \$69.0 million from homeowners' property tax relief and \$2.1 billion from motor vehicle license fees. For a 10-year comparison, see Chart 4 and Schedule 6. For additional detail on intergovernmental agencies revenue, see Table 6.

Chart 4
10-Year Trend of Intergovernmental Agencies Revenue By Fiscal Year
 (Amounts in billions)
**Schedule 6**
Intergovernmental Agencies Revenue
 (Amounts in thousands)

Year	State	Federal	Other	Total	Percentage Increase (Decrease) From Prior Year
1987-88	\$ 6,100,973	\$ 3,086,533	\$ 35,608	\$ 9,223,114	7.30 %
1988-89	6,605,451	3,396,592	33,916	10,035,959	8.81
1989-90	7,555,189	3,715,968	54,687	11,325,844	12.85
1990-91	7,946,040	4,311,170	93,683	12,350,893	9.05
1991-92	9,223,428	4,806,004	111,671	14,141,103	14.49
1992-93	9,417,452	4,963,950	139,463	14,520,865	2.69
1993-94	10,762,672	5,552,710	135,990	16,451,372	13.29
1994-95	11,271,439	5,977,113	150,120	17,398,672	5.76
1995-96	11,828,105	6,034,459	165,606	18,028,170	3.62
1996-97	11,965,748	5,816,691	210,386	17,992,825	(0.20)

**County
Enterprise/Activity
Revenues
(Exclusive of General
County Financing Sources)**

During 1996-97, county-operated enterprise activities generated revenues totaling \$4.2 billion (exclusive of general county financing sources). This was a decrease of \$26.6 million (.63%) from the prior year. These enterprises included airports, hospitals, refuse, transportation, and other. Details of these enterprise activity revenues are included in Tables 9 through 13. For a three-year comparison, see Schedules 7 and 8.

Schedule 7

Enterprise/Activity Revenues
(Amounts in thousands)

Type of Enterprise/Activity	1994-95	1995-96	Percentage Increase (Decrease) From Prior Year	1996-97	Percentage Increase (Decrease) From Prior Year
Airports	\$ 150,619	\$ 164,598	9.28 %	\$ 189,429	15.09 %
Hospitals	3,937,161	3,533,886	(10.24)	3,394,932	(3.93)
Refuse	403,714	438,406	8.59	511,393	16.65
Transportation	50,447	50,459	0.02	54,532	8.07
Other	44,235	44,594	0.81	55,042	23.43
Totals	\$ 4,586,176	\$ 4,231,943	(7.72)	\$ 4,205,328	(0.63)

Schedule 8

Number of Enterprise/Activity by Type

Type of Enterprise/ Activity	1994-95 Number of Enterprises	1995-96 Number of Enterprises	Percentage Increase (Decrease) From Prior Year	1996-97 Number of Enterprises	Percentage Increase (Decrease) From Prior Year
Airports	44	44	— %	44	— %
Hospitals	21	21	—	19	(9.52)
Refuse	31	32	3.23	31	(3.13)
Transportation	38	39	2.63	36	(7.69)
Other	18	16	(11.11)	16	—
Totals	152	152	—	146	(3.95)

General County Financing Uses and Enterprise Expenses

Financing uses for 1996-97 totaled \$32.1 billion, a decrease of \$126.4 million (0.39%) from the prior year. General county financing uses of \$27.3 billion comprised 85.07% of the total. The \$4.8 billion balance consisted of expenses of county-operated enterprises such as airports, hospitals, refuse, transportation, and others. For a 10-year comparison, see Schedule 9 and Chart 5.

Schedule 9

General County Financing Uses and Enterprise Expenses

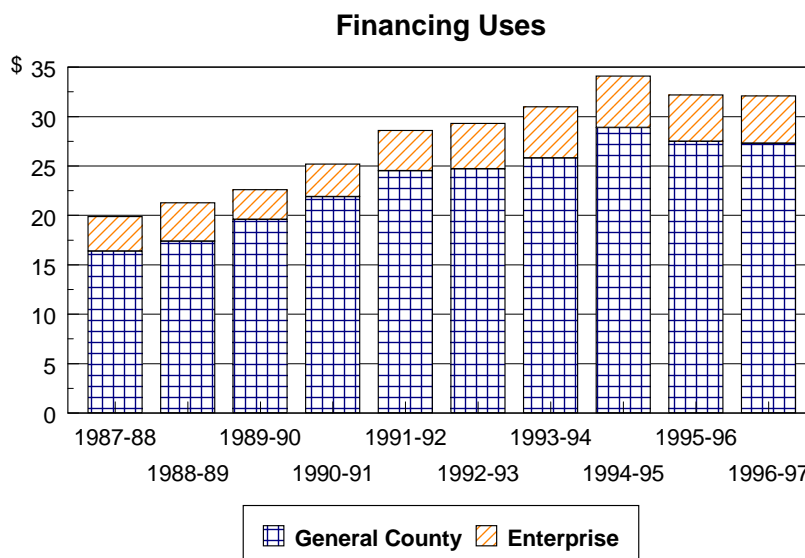
(Amounts in thousands)

Year	General County	Enterprise	Total	Percentage Increase (Decrease) From Prior Year	Per Capita in Dollars
1987-88	\$ 16,389,093	\$ 3,527,715	\$ 19,916,808	10.76 %	\$ 730.13
1988-89	17,434,516	3,946,321	21,380,837	7.35	765.57
1989-90	19,600,647	3,030,106	22,630,753	5.85	787.25
1990-91	21,883,458	3,293,420	25,176,878	11.25	849.87
1991-92	24,457,705	4,138,659	28,596,364	13.58	944.96
1992-93	24,659,032	4,570,192	29,229,224	2.21	952.58
1993-94	25,784,547	5,233,740	31,018,287	6.12	993.74
1994-95	28,926,353	5,173,994	34,100,347	9.94	1,079.49
1995-96	27,515,990	4,670,426	32,186,416	(5.61)	1,014.58
1996-97	27,274,177	4,785,861	32,060,038	(0.39)	1,003.38

Chart 5

10-Year Trend of General County Financing Uses and Enterprise Expenses By Fiscal Year

(Amounts in billions)



General County Financing Uses (Exclusive of County-Owned Enterprises)

General County financing uses for 1996-97 (exclusive of enterprises) amounted to \$27.3 billion, a decrease of \$241.8 million (.88%) from the prior year. The principal areas of expenditures were public assistance, at 38.16%, and public protection, at 28.85%. Schedule 10 presents comparative detail on general county financing uses. Chart 6 depicts the major expenditures by general county financing uses for the 1996-97 fiscal year. Chart 7 depicts a 10-year comparison of general county financing uses.

Schedule 10

General County Financing Uses (Amounts in thousands)

Financing Uses	1995-96	Percent of Total	1996-97	Percent of Total	Percentage Increase (Decrease) From Prior Year
Public Assistance	\$ 10,996,672	39.96 %	\$ 10,408,415	38.16 %	(5.35) %
Public Protection	7,583,136	27.56	7,868,494	28.85	3.76
Health and Sanitation	3,961,749	14.40	4,290,722	15.73	8.30
General	2,449,433	8.90	2,423,798	8.89	(1.05)
Debt Service	1,103,611 ¹	4.01	867,825	3.18	(21.36)
Public Ways and Facilities	959,232	3.49	926,373	3.40	(3.43)
Education	232,530	0.85	240,850	0.88	3.58
Recreation and Cultural	229,627	0.83	247,700	0.91	7.87
Total Financing Uses	\$ 27,515,990	100.00 %	\$ 27,274,177	100.00 %	(0.88)

¹ Debt service for fiscal year 1995-96 included a payment of \$327,400,000 made by Los Angeles County.

Chart 6

General County Financing Uses

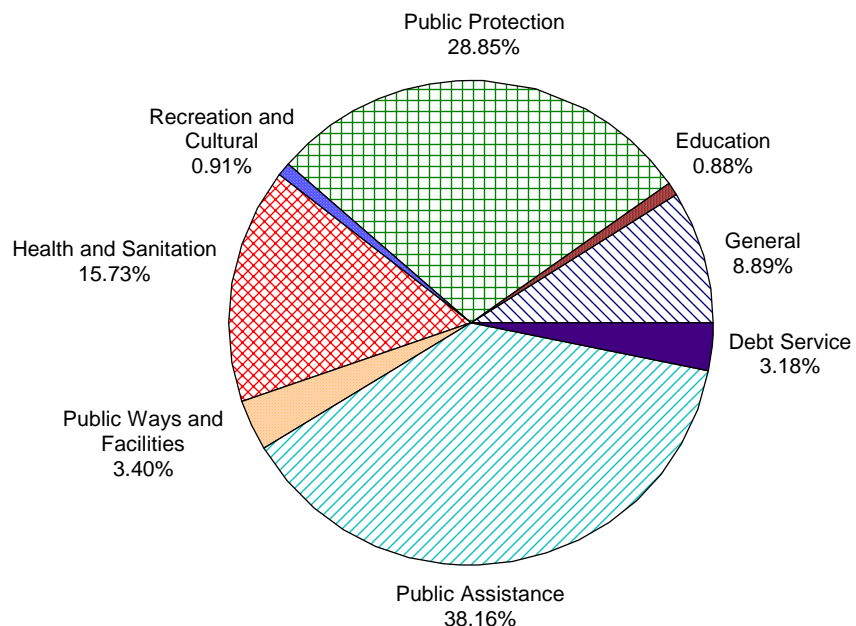
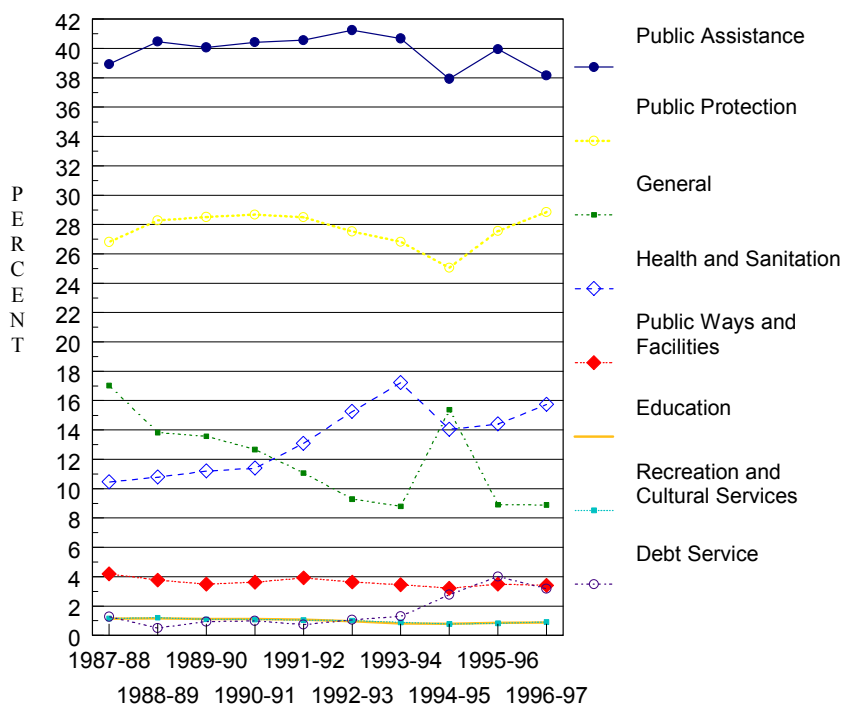


Chart 7

10-Year Trend of General County Financing Uses as Percentage of Total By Fiscal Year
(Exclusive of County-Owned Enterprises and Bond Funds)



Public Assistance — Includes welfare, social services, general relief, care of court wards, and veterans' services.

Public Protection — Includes judicial, police protection, detention and correction, fire protection, flood control, soil and water conservation, and protective inspection.

General — Includes legislative and administrative, finance, counsel, personnel, elections, communications, property management, plant acquisition, and promotion.

Health and Sanitation — Includes public health, medical care, mental health, drug and alcohol abuse services, and sanitation costs.

Public Ways and Facilities — Includes roads, transportation terminals, transportation systems, and parking facilities.

Education — Includes school administration, library services, and agricultural education.

Recreation and Cultural Services — Includes recreation facilities, cultural services, veterans memorial buildings, and small craft harbors.

Debt Service — Includes retirement of long-term debt, interest on long-term debt, and interest on notes and warrants.

Public Assistance

County expenditures for public assistance during 1996-97 totaled \$10.4 billion, a decrease of \$588.3 million (5.35%) from the prior year. Schedule 11 presents further detail on public assistance expenditures. For a 10-year comparison, see Schedule 12.

Schedule 11

Public Assistance (Amounts in thousands)

			Percentage Increase (Decrease) From		Percentage Increase (Decrease) From
Public Assistance	1994-95	1995-96	Prior Year	1996-97	Prior Year
Welfare	\$ 8,631,639	\$ 8,533,809	(1.13) %	\$ 7,952,172	(6.82) %
Social Services	1,414,145	1,475,750	4.36	1,580,608	7.11
General Relief	420,313	426,999	1.59	342,336	(19.83)
Other					
Care of Court Wards	37,274	49,098	31.72	34,719	(29.29)
Veterans Services	8,233	8,121	(1.36)	9,085	11.87
Other Assistance	459,718	502,895	9.39	489,495	(2.66)
Total Other	505,225	560,114	10.86	533,299	(4.79)
Totals	\$ 10,971,322	\$ 10,996,672	0.23	\$ 10,408,415	(5.35)

Schedule 12

10-Year Trend of Public Assistance (Amounts in thousands)

Year	Welfare	Social Services	General Relief	Other	Total	Per Capita in Dollars
1987-88	\$ 5,200,200	\$ 580,459	\$ 253,888	\$ 346,002	\$ 6,380,549	\$ 233.91
1988-89	5,740,431	674,360	300,672	340,970	7,056,433	252.67
1989-90	6,392,383	779,361	338,166	343,263	7,853,173	273.19
1990-91	7,196,471	879,348	391,494	378,061	8,845,374	298.58
1991-92	8,007,355	947,597	520,142	446,915	9,922,009	327.87
1992-93	8,069,586	1,073,847	553,638	473,928	10,170,999	331.47
1993-94	8,340,682	1,266,808	449,674	432,285	10,489,449	336.05
1994-95	8,631,639	1,414,145	420,313	505,225	10,971,322	347.31
1995-96	8,533,809	1,475,750	426,999	560,114	10,996,672	346.64
1996-97	7,952,172	1,580,608	342,336	533,299	10,408,415	325.75

Public Protection

County expenditures for public protection during 1996-97 totaled \$7.9 billion. This was an increase of \$285.4 million (3.76%) over the prior year. Schedule 13 presents further detail on public protection expenditures. For a 10-year comparison, see Schedule 14.

Schedule 13

Public Protection

(Amounts in thousands)

Public Protection	1994-95	1995-96	Percentage Increase (Decrease) From Prior Year	1996-97	Percentage Increase Over Prior Year
Judicial	\$ 2,665,201	\$ 2,937,906	10.23 %	\$ 3,030,090	3.14 %
Police Protection	1,679,852	1,726,345	2.77	1,773,234	2.72
Detention and Correction	2,047,065	2,109,881	3.07	2,192,902	3.93
Other					
Fire Protection	223,308	175,523	(21.40)	177,637	1.20
Flood Control, Soil, and					
Water Conservation	4,300	5,619	30.67	6,701	19.26
Protective Inspection	155,663	154,050	(1.04)	158,835	3.11
Other Protection	474,632	473,811	(0.17)	529,095	11.67
Total Other	857,903	809,003	(5.70)	872,268	7.82
Totals	\$ 7,250,021	\$ 7,583,135	4.59	\$ 7,868,494	3.76

Schedule 14

10-Year Trend of Public Protection

(Amounts in thousands)

Year	Judicial	Police Protection	Detention and Correction	Other	Total	Per Capita in Dollars
1987-88	\$ 1,510,867	\$ 993,737	\$ 1,231,186	\$ 657,286	\$ 4,393,076	\$ 161.05
1988-89	1,711,106	1,117,188	1,367,536	734,390	4,930,220	176.53
1989-90	1,977,187	1,220,992	1,558,565	831,730	5,588,474	194.40
1990-91	2,228,211	1,418,362	1,718,115	910,702	6,275,390	211.83
1991-92	2,459,450	1,644,877	1,906,659	959,193	6,970,179	230.33
1992-93	2,430,151	1,626,962	1,875,470	856,168	6,788,751	221.25
1993-94	2,504,670	1,604,433	1,938,605	871,064	6,918,772	221.66
1994-95	2,665,201	1,679,852	2,047,065	857,903	7,250,021	229.51
1995-96	2,937,906	1,726,345	2,109,881	809,003	7,583,135	239.04
1996-97	3,030,090	1,773,234	2,192,902	872,268	7,868,494	246.26

County Enterprise/Activity Expenses (Exclusive of General County Financing Uses)

County-operated enterprises accounted for \$4.8 billion in expenses (exclusive of general county financing uses) during 1996-97. This was an increase of \$115.4 million (2.47%) over the prior year. These enterprises include airports, hospitals, refuse, transportation, and other. Details of these enterprise expenses are included in Tables 9 through 13. For a three-year comparison, see Schedule 15. For the number of enterprise/activity by type, see Schedule 8.

Schedule 15

County Enterprise/Activity Expenses

(Amounts in thousands)

Type of Enterprises/Activity	1994-95	1995-96	Percentage Increase (Decrease) From	1996-97	Percentage (Decrease) From
			Prior Year		Prior Year
Airports	\$ 141,885	\$ 132,885	(6.34) %	\$ 159,853	20.29 %
Hospitals	4,537,417	4,066,420	(10.38)	4,024,152	(1.04)
Refuse	393,714	373,353	(5.17)	499,378 ¹	33.75
Transportation	52,993	52,533	(0.87)	54,498	3.74
Other	47,985	45,234	(5.73)	47,980	6.07
Totals	\$ 5,173,994	\$ 4,670,425	(9.73)	\$ 4,785,861	2.47

¹ Increase was mainly due to the counties of Orange and San Diego having higher general operations and landfill pre/post-closure costs.

Long-Term Financial Obligations

The counties' total long-term financial obligations on June 30, 1997, amounted to \$19.7 billion, a 6.72% increase over the prior year. Of the total, lease-purchase obligations of \$11.6 billion comprised 59.15%, \$7.0 billion of bonded indebtedness accounted for 35.85%, and \$1.0 billion of assessment bonds accounted for the remaining 5.00%. For a two-year comparison, see Schedule 16. Debt service expenditures as a percentage of total expenditures decreased to 3.18% for 1996-97 compared to 4.01% in the prior year.

Schedule 16

Long-Term Financial Obligations

(Amounts in thousands)

Type of Debt	1995-96	Percent of the Total	1996-97	Percent of the Total	Percentage Increase (Decrease) From Prior Year
Lease Purchase Obligations	\$ 10,628,307	57.72 %	\$ 11,622,849	59.15 %	9.36 %
Revenue Bonds	5,894,366	32.01	6,623,577 ¹	33.71	12.37
Special Assessment Act Bonds	1,010,846	5.49	983,746	5.00	(2.68)
Certificates of Participation	806,155	4.38	353,563 ²	1.80	(56.14)
General Obligation Bonds	70,837	0.39	65,337	0.33	(7.76)
Improvement District Bonds	2,266	0.01	1,714	0.01	(24.36)
Totals	\$ 18,412,777	100.00 %	\$ 19,650,786	100.00 %	6.72

¹ Increase was mainly due to the counties of Alameda, Mendocino, and Tulare issuing \$627,102,834, \$30,720,000, and \$41,460,000 of pension obligation bonds, respectively.

² Decrease was mainly due to the County of Orange reclassifying \$760,800,000 in certificates of participation as a lease purchase obligation with the Orange County Public Facilities Corporation, the agency that actually issued the certificates of participation.

Lease Purchase Obligations

During the past decade, and particularly in recent years, counties have increasingly sought to finance capital expenditures through methods other than the traditional bond issue or "pay-as-you-go." One of the procedures frequently used is the "lease-purchase" plan. In its simplest form, this may consist of a non-profit corporation being organized for the sole purpose of issuing Certificates of Participation. Once issued, the proceeds are used to build a structure on land owned by a governmental agency. The corporation may arrange for conventional financing, secured by a long-term lease with the governmental agency that will be using the facility. The terms of the lease are sufficient to retire the financing, and upon expiration of the lease term, the title of the facility passes to the governmental agency.

As of June 30, 1997, 42 counties were involved in lease-purchase agreements. These agreements, if continued to termination, carry a total obligation of \$11.6 billion. This was an increase of \$994.5 million (9.36%) over the prior year. All years represented in Schedule 17 are as of June 30. For a 10-year comparison, see Schedule 17 and Chart 8.

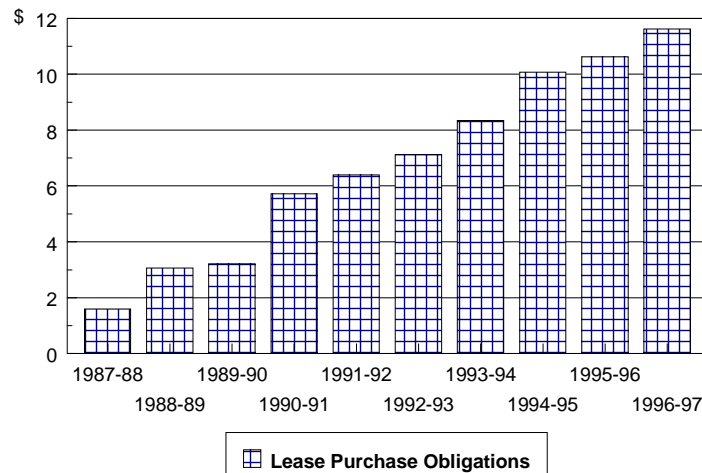
Schedule 17**Lease Purchase Obligations**

(Amounts in thousands)

Fiscal Year	Number of Counties	Amount	Percentage Increase Over Prior Year
1988	21	\$ 1,596,470	1.02 %
1989	24	3,059,299	91.63
1990	28	3,210,165	4.93
1991	32	5,724,796	78.33
1992	35	6,395,800	11.72
1993	34	7,117,377	11.28
1994	37	8,340,814	17.19
1995	37	10,081,860	20.87
1996	40	10,628,307	5.42
1997	42	11,622,849	9.36

Chart 8**10-Year Trend of Lease Purchase Obligations By Fiscal Year**

(Amounts in billions)

**Bonded Indebtedness**

The counties' bonded indebtedness totaled \$7.0 billion as of June 30, 1997, an increase of \$270.6 million (3.99%) over the prior year. The total consisted of \$65.3 million in general obligation bonds supported by county taxpayers, \$353.6 million in certificates of participation, \$6.6 billion in revenue bonds, and \$1.7 million in improvement district bonds supported by revenues from programs financed with the bond issues. Special assessment bonds are not considered debt of the counties and are not included in this schedule. Instead, special assessment bonds are detailed in Schedule 19. All years represented in Schedule 18 are as of June 30. Bonded indebtedness detail can be found in Table 8. For a 10-year comparison, see Schedule 18.

Schedule 18**Bonded Indebtedness**

(Amounts in thousands)

Fiscal Year	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Improvement District Bonds	Total
1988	\$ 114,866	\$ 21,056	\$ —	\$ —	\$ 135,922
1989	118,095	369,244 ¹	—	—	487,339
1990	121,511	353,830	—	—	475,341
1991	106,045	367,600	—	—	473,645
1992	94,602	369,853	9,715	3,561	477,731
1993	88,857	489,499	13,180	2,971	594,507
1994	610,637 ²	478,930	6,085	1,514	1,097,166
1995	506,392 ³	3,712,671 ⁴	7,445	4,365	4,230,873
1996	70,837 ⁵	5,894,366 ⁶	806,155 ⁷	2,266	6,773,624
1997	65,337	6,623,577 ⁸	353,563 ⁹	1,714	7,044,191

¹ Increase was mainly due to the County of Orange issuing \$88,435,000 and \$242,440,000 of bonds for waste management facilities and airport facilities, respectively.

² Increase was mainly due to the counties of San Diego and Sonoma issuing \$430,430,000 and \$97,400,000 of pension obligation bonds, respectively.

³ Decrease was mainly due to the County of Sonoma reclassifying a \$97,400,000 bond issue to a revenue bond that had been previously reported as a general obligation bond.

⁴ Increase was mainly due to the counties of Los Angeles and Orange issuing \$1,965,230,232 and \$753,830,000 of pension obligation bonds, respectively.

⁵ Decrease was mainly due to the County of San Diego reclassifying a \$430,430,000 bond issue to a revenue bond that had been previously reported as a general obligation bond.

⁶ Increase was mainly due to seven counties issuing pension obligation bonds in the following amounts: Contra Costa, \$337,365,000; Kern, \$227,629,808; Los Angeles, \$327,400,000; Sacramento, \$538,060,208; San Bernardino, \$386,265,591; Stanislaus, \$108,970,000; and Ventura, \$154,510,000.

⁷ Increase was mainly due to the County of Orange issuing a \$760,800,000 recovery bond.

⁸ Increase was mainly due to the counties of Alameda, Mendocino, and Tulare issuing \$627,102,834, \$30,720,000, and \$41,460,000 of pension obligation bonds, respectively.

⁹ Decrease was mainly due to the County of Orange reclassifying \$760,800,000 in certificates of participation as a lease purchase obligation with the Orange County Public Facilities Corporation, the agency that actually issued the certificates of participation.

Assessment Bonds

Unlike the general obligation bond of the county, the assessment bond represents an unpaid assessment for public works, the cost of which is assessed against benefitted property. The most common are issuances under the Improvement Acts of 1911 and 1915. Under the 1911 Act Bonds, the county has no obligation to the bondholders except to forward to them any money paid by the property owners. Under the 1915 Act Bonds, the county has a contingent liability in the case of delinquencies, either to advance the amount of the delinquency or to levy a limited tax rate on the benefitted area. In the event of an advance, the funds are eventually returned to the county. The total amount outstanding for assessment bonds issued through the counties amounted to \$983.7 million on June 30, 1997. For a 10-year comparison, see Schedule 19.

Schedule 19

Assessment Bonds (Amounts in thousands)

Fiscal Year	1911 Act Bonds	1915 Act Bonds	Other Act Bonds	Total
1988	\$ 47,100	\$ 59,894	\$ —	\$ 106,994
1989	28,427	550,571 ¹	—	578,998
1990	24,330	553,575	605	578,510
1991	21,152	646,327	560	668,039
1992	49,358	668,591	520	718,469
1993	16,575	975,317 ²	3,155	995,047
1994	15,618	944,503	3,077	963,198
1995	10,049	996,333	2,979	1,009,361
1996	5,961	1,002,005	2,880	1,010,846
1997	4,520	976,421	2,805	983,746

¹ Increase due to the County of Orange issuing a \$440,000,000 bond.

² Increase due to the counties of Merced, Orange, Riverside, and San Diego issuing \$4,356,084, \$168,029,000, \$138,690,064, and \$28,804,151 of bonds, respectively.

County Assessed Valuation

The net assessed valuation for the 1997-98 fiscal year grew by 2.86% over the prior year. Over the past 10 years, net assessed values have grown by an average of 5.46% each year. Since the enactment of Proposition 13, locally assessed real property is appraised at the 1975-76 base year value and is adjusted each year after 1975 by the change in the Consumer Price Index (CPI), not to exceed an increase of 2%. Property is reappraised from the 1975-76 base year value to current full value upon (1) a change in ownership, or (2) new construction, as of the date of such transactions or completion of construction (only the newly constructed portion of the property is reappraised). Thereafter, it continues to be increased annually by the change in the CPI, not to exceed 2%. For a 10-year comparison, see Schedule 20.

Schedule 20

Assessed Valuation (Amounts in thousands)

Year	Gross State and Local Assessed Valuation	Exemptions	Net Assessed Valuation	Percentage Increase Over Prior Year
1988-89	\$ 1,301,461,953	\$ 57,700,125	\$ 1,243,761,828	9.70 %
1989-90	1,441,276,182	60,909,817	1,380,366,365	10.98
1990-91	1,609,984,139	64,735,789	1,545,248,350	11.94
1991-92	1,738,276,056	68,423,625	1,669,852,431	8.06
1992-93	1,828,321,919	71,995,303	1,756,326,616	5.18
1993-94	1,882,953,663	77,466,463	1,805,487,200	2.80
1994-95	1,906,919,687	78,525,497	1,828,394,190	1.27
1995-96	1,922,715,148	82,231,996	1,840,483,152	0.66
1996-97	1,946,953,068	85,278,150	1,861,674,918	1.15
1997-98	2,004,698,241	89,861,896	1,914,836,345	2.86

Appropriations Limits

Chapter 1025, Statutes of 1987, requires the State Controller to publish appropriations limits and total annual appropriations subject to the limit for counties. Table 14 is included in this publication to report this data.

The information provided in Table 14 has not been audited and is presented as submitted by the 57 counties of California, excluding the City and County of San Francisco.

Supplemental Information

**Appendix A: Financial Transactions of the City
and County of San Francisco**

**Appendix B: Local Sales Tax Collected Within Cities
Allocated to Counties as of July 1, 1997**

Appendix C: Definitions

Appendix D: Notes to Tables

State Controller's Office Publication List

Appendix A — Revenue Sources, San Francisco

City and County of San Francisco Year Ended June 30, 1997

Sources	Amount
Secured and Unsecured Property Tax	\$ 350,371,660
Voter Approved Indebtedness Property Tax	82,777,635
Other Property Taxes	5,122,099
Interest, Penalties, and Delinquent Taxes	7,077,095
Sales and Use Taxes	108,098,927
Transportation Tax — Transit	53,730,010
Transportation Tax — Non-Transit	21,977,878
Transient Lodging Tax	131,128,916
Franchises	8,861,730
Business License Tax	38,273,466
Real Property Transfer Tax	33,572,563
Utility Users' Tax	55,883,143
Other Non-Property Taxes:	
Admission Tax	2,586,953
Parking Tax	23,959,979
Employer's Payroll Tax	162,936,646
Total Taxes	1,086,358,700
 LICENSES AND PERMITS	
Animal Licenses	88,240
Construction Permits	15,136,173
Street and Curb Permits	100,898
Other Licenses and Permits:	
Parking Permits	1,863,785
Eating Places' Licenses	2,734,803
Phone Booth Permits	892,437
Marriage Licenses	578,174
Miscellaneous Licenses and Permits	1,810,239
Total Licenses and Permits	23,204,749
 FINES AND FORFEITURES	
Vehicle Code Fines	3,495,378
Other Fines, Forfeitures, and Penalties	1,078,642
Total Fines and Forfeitures	4,574,020
 FROM USE OF MONEY AND PROPERTY	
Investment Earnings	139,150,426
Rents and Concessions	34,517,112
Total From Use of Money and Property	173,667,538
 INTERGOVERNMENTAL — STATE	
Motor Vehicle In-Lieu Tax	127,979,698
Homeowners' Property Tax Relief	5,515,171
Gasoline Tax	20,803,637
Peace Officers Standards and Training	501,944
Off-Highway Motor Vehicle In-Lieu Fee	21,592
Tobacco Tax — AB 75	8,322,952
Sales Tax — Realignment	92,632,697
Trial Court Funding	16,042,017
Public Safety Fund — Realignment	53,912,475
Social Services — Aid Payments	21,874,043
Social Services — Administration	15,563,132
Community Mental Health Services	1,902,161

Appendix A (continued)

City and County of San Francisco Year Ended June 30, 1997

Sources	Amount
State Alcohol Funds	15,115,967
Emergency Services	148,820
Emergency Assistance	761,185
Maintenance of Minors in Foster Homes	11,459,993
AFDC	31,519,774
AFDC/GAIN — Administration Assistance	6,750,493
CCS Administration	1,091,269
Earthquake Grant	24,281,357
State Mandated Costs	2,688,937
Food Stamp Program	5,401,359
Medi-Cal	28,734,446
Medi-Cal Eligibility Determination	16,644,055
Transit Operating and Capital Grants	27,399,492
Port Capital Grant	683,956
Miscellaneous/Direct State Grants	10,954,694
Total State Grants	548,707,316
INTERGOVERNMENTAL — FEDERAL	
Community Development Block Grant	26,761,904
Milk and Food Program	2,038,648
Maintenance of Minors in Foster Homes	16,285,283
AFDC — Programs/Administration	45,695,154
Child Support Enforcement Incentive	2,777,467
Food Stamp Program	10,069,466
Children Welfare Services	8,236,367
Medicare	2,083,506
FEMA Grant — Earthquake	12,711,258
Airport Capital Grant	8,184,856
Sewer Operating Grant	3,411,000
Port Capital Grant	1,565,659
Transit Operating and Capital Grants	90,236,037
Electric Operating Grant	322,152
Miscellaneous/Direct Federal Grants	64,650,431
Total Federal Grants	295,029,188
CURRENT SERVICE CHARGES	
Zoning and Subdivision Fees	7,076,334
Special Police Department Services	10,110,020
Special Fire Department Services	3,035,562
Plan Checking Fees	3,953,603
Animal Shelter Fees and Charges	56,168
Engineering Fees, Inspection, and Others	15,382,630
Street, Sidewalk, and Curb Repairs	1,315,985
Sewer Service Charges and Connection Fees	140,538,829
Library Fines and Fees	650,458
Parking Facilities	15,311,067
Parks and Recreation Fees	10,171,642
Golf Course Fees	4,752,409
Water Service Charges	135,624,064
Electric Revenues	72,465,125
Airport Revenues	234,529,412
Housing	9,761,273

Appendix A (continued)

City and County of San Francisco Year Ended June 30, 1997

Sources	Amount
Ports and Harbor Revenues	37,285,410
Hospital Revenues	370,402,509
Transit Revenues	103,116,209
Stadium Revenues	6,410,412
Quasi-External Transactions	118,290,799
Other Current Service Charges:	
Court Fees	6,562,826
Recording Fees	1,911,007
Public Administrator Fees	1,751,785
Local Transportation — Administration	133,290
County Clerk — Miscellaneous Fees	843,063
Hazardous Materials Fees	728,336
Health and Dental Fees	1,168,970
Towing Fees	2,375,538
Boarding of Prisoners	1,346,793
Opera and Civic Auditorium Fees	359,130
Museum Hall and Art Commission Fees	2,683,890
Abandoned Vehicle Fees	439,938
Farmers' Market and Agriculture Commission Fees	263,208
Garbage Truck Inspection Fees	304,582
Other	12,105,156
Total Current Service Charges	<u>1,333,217,432</u>
OTHER REVENUES	
Sale of Real and Personal Property	1,187,560
Other Revenues	174,484,718
Total Other Revenues	<u>175,672,278</u>
OTHER FINANCING SOURCES	
Sale of General Obligation Bonds	47,179,500
Total Other Financing Sources	<u>47,179,500</u>
TOTAL REVENUES	<u>\$ 3,687,610,721</u>

Appendix A — Expenditure Functions, San Francisco

City and County of San Francisco Year Ended June 30, 1997

Functions	Operating Expenditures	Capital Outlay	Total
GENERAL GOVERNMENT			
Legislative	\$ 26,149,906	\$ 1,602,957	\$ 27,752,863
Management and Support	281,537,819	7,549,924	289,087,743
Public Welfare Administration	89,707,791	—	89,707,791
Public Welfare Programs	206,657,769	—	206,657,769
Assessor	10,499,114	—	10,499,114
Treasurer and Tax Collector	11,563,097	—	11,563,097
Permit Appeals	258,122	2,810	260,932
Total General Government	626,373,618	9,155,691	635,529,309
PUBLIC SAFETY			
Police	210,473,931	4,936,874	215,410,805
Sheriff and Jails	63,076,058	—	63,076,058
Fire	118,850,176	3,035,174	121,885,350
Superior and Municipal Courts	52,635,854	—	52,635,854
Juvenile Court	22,170,939	—	22,170,939
District Attorney	29,830,181	—	29,830,181
Public Defender	9,708,499	—	9,708,499
Adult Probation	8,129,793	—	8,129,793
Animal Regulation	2,021,960	3,954	2,025,914
Street Lighting	2,531,048	—	2,531,048
Public Administrator/Guardian	2,660,411	—	2,660,411
Other	4,198,856	1,321,685	5,520,541
Total Public Safety	526,287,706	9,297,687	535,585,393
TRANSPORTATION			
Streets, Highways, and Storm Drains	25,955,449	123,337,889	149,293,338
Street Trees and Landscaping	1,857,586	—	1,857,586
Parking Facilities	40,025,553	3,475,266	43,500,819
Public Transit	295,478,970	78,689,489	374,168,459
Airports	259,151,524	389,524,839	648,676,363
Ports and Harbors	31,578,534	9,389,029	40,967,563
Total Transportation	654,047,616	604,416,512	1,258,464,128
COMMUNITY DEVELOPMENT			
Planning	8,862,379	158,024	9,020,403
Construction and Engineering Regulation Enforcement	23,864,879	50,166,621	74,031,500
Housing	49,016,764	954,765	49,971,529
Employment	514,163	—	514,163
Community Promotion	705,135	—	705,135
Commission on Aging	12,869,573	—	12,869,573
Other	3,485,251	745,194	4,230,445
Total Community Development	99,318,144	52,024,604	151,342,748
HEALTH AND SANITATION			
Physical and Mental Health	447,604,456	1,591,230	449,195,686
Hospitals and Sanitariums	408,432,990	9,830,097	418,263,087
Coroner	2,943,633	57,916	3,001,549

Appendix A (continued)

City and County of San Francisco Year Ended June 30, 1997

Functions	Operating Expenditures	Capital Outlay	Total
Sewers	121,654,040	66,349,835	188,003,875
Total Health and Sanitation	980,635,119	77,829,078	1,058,464,197
CULTURAL AND LEISURE			
Parks and Recreation	60,618,857	9,982,001	70,600,858
Marinas and Wharfs	1,110,855	—	1,110,855
Libraries	36,228,907	2,236,331	38,465,238
Museums	10,251,497	95,365	10,346,862
Sports Arenas and Stadiums	5,161,939	50,015	5,211,954
Community Centers and Auditoriums	41,567,619	—	41,567,619
Arts Commission and War Memorial	19,387,792	212,839	19,600,631
Total Cultural and Leisure	174,327,466	12,576,551	186,904,017
PUBLIC UTILITIES			
Water	101,975,027	3,705,472	105,680,499
Electric	46,943,654	760,460	47,704,114
Light, Heat, and Power	4,642,592	1,703	4,644,295
Total Public Utilities	153,561,273	4,467,635	158,028,908
TOTAL EXPENDITURES	\$ 3,214,550,942	\$ 769,767,758	\$ 3,984,318,700

Appendix B

Percentage of Local Sales Tax Collected Within Cities Allocated to Counties as of July 1, 1997

(First Rate Applies to All Cities Except Where Indicated)

Not all revenue from locally imposed sales taxes accrues to the city of sales situs. Counties, through contractual agreements with the cities, receive a portion of the sales tax revenue collected within the cities. These agreements vary and are subject to periodic adjustments. In addition to the rates listed below, which are formalized by local ordinances of cities and counties and by contract with the Board of Equalization acting as the collection agent, several counties have supplemental agreements with their cities in which a percentage of collections is returned to the city of sale situs. These revenues are not included below.

County / City	Rate	County / City	Rate
Alameda	5 %	Modoc	None
Dublin, Livermore, and San Leandro	None	Mono	None
Alpine	*	Monterey	None
Amador	None	Napa	5
Butte	None	American Canyon	None
Chico	5	Nevada	None
Calaveras	9	Orange	None
Colusa	None	Placer	None
Contra Costa	2.5	Plumas	5
Del Norte	None	Riverside	None
El Dorado	None	Sacramento	None
Fresno	None	San Benito	None
Fresno City	5.42	San Bernardino	None
Clovis	4.5	San Diego	None
Selma	4	San Francisco	**
Kingsburg and Sanger	3.5	San Joaquin	None
Coalinga, Firebaugh, Fowler, and Kernan	3	San Luis Obispo	None
Reedley and San Joaquin	2.5	San Mateo	5
Mendota	1.5	Santa Barbara	None
Glenn	None	Santa Clara	None
Humboldt	None	Santa Cruz	None
Imperial	None	Shasta	None
Inyo	None	Sierra	5
Kern	None	Siskiyou	None
Kings	2	Solano	None
Hanford	5	Sonoma	2.5
Lake	None	Windsor	None
Lassen	5	Stanislaus	None
Los Angeles	None	Ceres, Modesto, Turlock, and Oakdale	5
Madera	—	Sutter	None
Chowchilla	8	Tehama	10
Madera	6	Tehama City	None
Marin	None	Trinity	*
Mariposa	*	Tulare	5
Mendocino	None	Tuolumne	9
Merced	None	Ventura	3.3
Los Banos	5	Ojai	None
Merced City	7.5	Yolo	None
		Yuba	None

* No Incorporated Cities

** Consolidated City and County Government

Appendix C — Definitions

Function — A group of services aimed at accomplishing a certain purpose or end.

Activity — A specific line of work carried on by counties in order to perform their function.

Budget Units — The classification of expenditures into appropriately identified accounting or cost centers deemed necessary or desirable for control of financial operations. Except as otherwise provided by law, such units may be devised at the discretion of the Board of Supervisors.

Current Expense — The total of expenditures for Salaries and Employee Benefits, Services and Supplies and Other Charges. Note: Road Construction is classified as a Current Expense.

Fixed Assets — Tangible assets of significant value having a utility that extends beyond the current year.

Appendix D — Notes to Tables

AMADOR	Failed to report its Appropriation Limit and Total Annual Appropriations Subject to the Limit. Reference: Table 14.
BUTTE	Other Charges for Current Services revenue and various functional expenditures are overstated in the amount of \$3.4 million due to the inclusion of interfund charges between the governmental funds. Reference: Tables 6 and 7.
COLUSA	Failed to report its Total Annual Appropriations Subject to the Limit. Reference: Table 14.
KERN	Finance, Auditor-Controller expenditure has consistently reported a negative amount due to interfund charge adjustments. Reference: Table 7.
MENDOCINO	Miscellaneous Revenue and various functional expenditures are overstated in the amount of \$1.4 million due to the inclusion of interfund charges between the governmental funds. Reference: Tables 6 and 7.
NAPA	Governmental Fund activities other than General Fund are not allocated throughout the county report by source/function. The Special Revenue, Debt Service, and Capital Projects Fund activities are only allocated to Other Charges for Current Services revenue and Other General expenditures. Reference: Tables 6 and 7.
SAN BENITO	Non-Enterprise Refuse activity is included in the Statement of Revenues and Expenditures. The Refuse Schedule was not completed and any related long-term pre/post closure landfill debt was omitted from this report. Reference: Table 6 and 7.
SAN BERNARDINO	General, Property Management expenditures are up from prior year by \$25.6 million mainly due to the inclusion of Long-Term Debt expenditures. Prior year Long-Term Debt expenditures amounted to \$29 million that was reported in the Debt Service section. Reference: Table 7.

Appendix D (continued)

SAN JOAQUIN	Other Charges for Current Services revenue and various functional expenditures are overstated in the amount of \$10 million due to the inclusion of interfund charges between the governmental funds. Reference: Tables 6 and 7.
SAN LUIS OBISPO	Miscellaneous Revenue and various functional expenditures are overstated in the amount of \$10 million due to the inclusion of interfund charges between the governmental funds. Reference: Tables 6 and 7.
SONOMA	Other Charges for Current Services revenue and various functional expenditures are overstated in the amount of \$7.5 million due to the inclusion of interfund pension charges between the governmental funds. Reference: Tables 6 and 7.
SUTTER	Significant revenue source fluctuations that indicate a possible misclassification: Federal Mental Health revenue, included in Federal Other, has increased by \$1.7 million, while Charges for Current Services, Mental Health Services revenue has decreased by \$1.3 million. Unable to confirm with county and detail not provided in audit. Reference: Table 6.
TRINITY	Capital leases for less than 10 years are allocated over various functional expenditures, rather than included in the Debt Service expenditure section. Reference: Table 7.

State Controller's Office Publication List

Reports published by the State Controller's Office on local government financial transactions are available from the offices listed below.

Division of Accounting and Reporting

Assessed Valuation Annual Report

Cities Annual Report

Community Redevelopment Agencies Annual Report

Counties Annual Report

Public Retirement Systems Annual Report

School Districts Annual Report

Special Districts Annual Report

Streets and Roads Annual Report

Transit Operators and Non-Transit Claimants Annual Report

Transportation Planning Agencies Annual Report

**Mail request to: Division of Accounting and Reporting
 Local Government Reporting Section
 P. O. Box 942850
 Sacramento, California 94250
 Phone: (916) 445-5153**

Division of Audits

Annual Financial Report of California K-12 Schools

**Mail request to: Division of Audits
 Education Oversight Branch
 P.O. Box 942850
 Sacramento, CA 94250
 (916) 323-1826**

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